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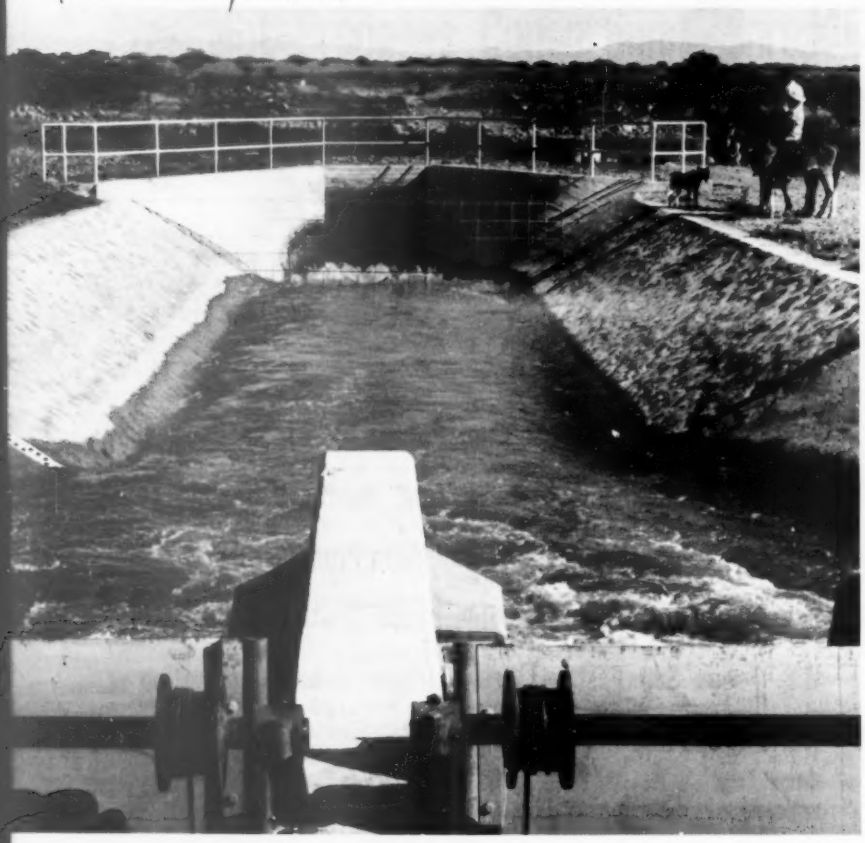

THE PRESIDENT'S MESSAGE ON INDIA FOOD AID

IDB LOANS HELP LATIN AMERICAN AGRICULTURE

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

FEBRUARY 20, 1967

VOLUME V • NUMBER 8

An Inter-American Development Bank loan helped finance this dam, part of a tri-State irrigation project in Mexico. For a look at other projects using Bank funds, see page 6.

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President Proposes Consortium Approach to India Food Aid

Two million tons of U.S. food grains allotted to meet emergfncy needs, with up to 3 million additional tons recommended if matched by other countries.

(On February 2, President Johnson addressed to Congress a Message on India Food, excerpts of which are given here.)

I address you today to report progress in organizing the war against hunger and to seek your counsel on steps still to be taken. For again this year, drought in India —as in other nations—underlines the cruel mathematics of hunger and calls for action.

India is not alone in facing the specter of near famine. One-half of the world's people confront this same problem.

India's plight reminds us that our generation can no longer evade the growing imbalance between food production and population growth. India's experience teaches that something more must be done about it.

From our own experience and that of other countries, we know that something can be done. We know that an agricultural revolution is within the capacity of modern science. We know that land can be made to produce much more food—enough food for the world's population, if reasonable population policies are pursued. Without some type of voluntary population program, however, the nations of the world—no matter how generous—will not be able to keep up with the food problem.

We know, too, that failure to act—and to act now—will multiply the human suffering and political unrest, not only in our generation but in that of our children and their children.

If we are to succeed, all nations—rich and poor alike —must join together and press the agricultural revolution with the same spirit, the same energy, and the same sense of urgency that they apply to their own national defence. Nothing less is consistent with the human values at stake.

Last year many responded to India's emergency. Canada was particularly generous in sending food aid. Each member of the India Aid Consortium made a special effort to meet India's need. Non-members, Australia among others, also helped. The private contributions of the Italian and Dutch people were especially heartwarming. But the bleak facts require a sustained international effort on a greater scale. Today I propose that all nations make the new Indian emergency the occasion to start a continuing worldwide campaign against hunger.

Facts about food

In pursuing the War on Hunger, the world must face up to stark new facts about food in our times.

- Food is scarce. Food aid must be allocated according to the same priorities that govern other development assistance.
- Per capita food production in many parts of the less developed world is not increasing. In some cases, it is even declining.
- There is no substitute for self-help. The war against hunger can only be won by the efforts of the developing nations themselves.
- Food aid is a stop-gap, not a permanent cure.
- Agriculture must receive a much higher priority in development plans and programs.
- Agricultural development must be planned as part of a nation's overall economic and social program. Achieving a balance between population and resources is as important as achieving a balance between industrial and agricultural growth.
- Fertilizer, seed, and pesticides must be provided in much greater quantities than ever before. A ton of fertilizer properly used this year can mean several tons of grain next year.
- All advanced nations—including those which import food—must share the burden of feeding the hungry and building their capacity to feed themselves.
- The War on Hunger is too big for governments alone. Victory cannot come unless businessmen, universities, foundations, voluntary agencies, and cooperatives join the battle.
- Developing nations with food deficits must put more of their resources into voluntary family planning programs. These facts draw into bold relief the two main thrusts in the offensive against hunger:

First, the hungry nations of the world must be helped to achieve the capacity to grow the food that people need or to buy what they cannot grow.

Second, until they can achieve this goal, the developed nations must help meet their needs by food shipments on generous terms.

The level of food aid will decline as self-help measures take hold. Until that point is reached, food aid is an inescapable duty of the world community.

Developing countries making progress

All of us know where the real battle is fought. Whatever the efforts in world capitals, the real tale is told on the land. It is the man behind the mule—or the bullock —or the water buffalo—who must be reached. Only his own government and his own people can reach him.

Thus, the most important progress of the past year has occurred in the developing countries themselves. And there is progress to report.

India—the largest consumer of food aid—perhaps provides the best example.

This has been a year of innovation in Indian agriculture. Agricultural development now has top priority in India's economic plan. Much remains to be done. But the evidence is unmistakable. India has started on the right path. India has:

- Imposed a food rationing system to make efficient use of existing supplies.
- Streamlined its transportation system to improve distribution.
- Increased prices paid to the farmer, thus providing new incentives to use fertilizer, improved seeds, and other modern materials.

• Begun large-scale operations with new varieties of rice introduced from Taiwan and with large quantities of high-yielding wheat seed imported from Mexico.

• Approved plans to increase public investment in agriculture by more than 100 percent during the new Five Year Plan.

• Started to expand rural credit, improve water supply, and accelerate the distribution of fertilizer to remote areas.

• Stepped up family planning.

• Negotiated an agreement for the first of several externally financed fertilizer plants to expand India's supply of home-produced fertilizers.

Three-pronged strategy needed

India's food problem requires a major commitment of our resources and those of other advanced countries. Broad authority exists under our legislation for national action by Executive decision alone. But the issues presented here are of such moment, and on such a scale, as to make it important that we act together, as we do on other great issues, on the firm foundation of a Joint Resolution of Congress.

I ask you to support the broad approach we have proposed to the international community as a basic strategy for the War on Hunger. That strategy rests on three essential principles:

1. *Self-help.* The War on Hunger can be won only by determined efforts of the developing nations themselves. International aid can help them. But it can only help if they pursue well-conceived and well-executed long-range plans of their own.
2. *Multilateral participation.* The assistance of the international community must be organized in a coalition of the advanced and the developing nations.
3. *Comprehensive planning.* The international community must develop a comprehensive plan to assist India to fulfill its program of achieving food sufficiency, not only during this year, but for the next few years as well.

The United States cannot—and should not—approach this problem alone or on an improvised basis. We must support the Indian Government's efforts to enlist the aid of other nations in developing a systematic and international approach to the problems of Indian agriculture. Our long-term objective is to help India achieve its goal of virtual self-sufficiency in grain by the early 1970's. Meanwhile, as part of that effort, we must help India meet its immediate food needs.

Approach through India Aid Consortium

In line with policies established by the Congress, and after promising consultations with the Government of India and other governments involved, I recommend the following steps to achieve these objectives:

First: Our basic policy is to approach the problem of Indian food through the India Aid Consortium organized under the chairmanship of the World Bank. That Consortium has already developed a multilateral approach to economic assistance for India. Now, we propose to make food aid a part of that multilateral assistance program. We seek effective multilateral arrangements to integrate Indian food aid with broader programs of economic assistance and with capital and technical assistance for agricultural development.

What the India Aid Consortium Is

The India Aid Consortium was organized in 1958. The World Bank, otherwise known as the International Bank for Reconstruction and Development, serves as Chairman. Other members include Austria, Belgium, Canada, France, West Germany, Italy, Japan, the Netherlands, the United Kingdom, the United States and the International Development Association—an affiliate of the World Bank.

Purpose of the Consortium is to provide a unified approach to India's aid requirements. It seeks to determine areas of greatest need, then helps to close the foreign exchange gap. In the fiscal year 1962-1965 it furnished India $4,445 million through grants, concessional loans (long-term), and conventional loans.

In his Message on India Food, President Johnson recommended that food and food-related aid to India be made a part of a multilateral assistance program through the channel provided by the Consortium arrangement.

In a preliminary way, we have consulted with the Government of India and with other members of the Consortium. There is substantial agreement among Consortium members on the major points of our proposal:

• Meeting food needs of India during this emergency should be accepted as an international responsibility in which each nation should share;

• Emergency food and food-related aid should be coordinated through the World Bank Consortium;

• This aid should not diminish the flow of resources for other development programs. It should be in addition to the targets for each country suggested by the World Bank.

Adding food aid to the responsibilities of the Consortium is sound economics and fair burden sharing. The Consortium provides a proper channel for the food and food-related aid of donors who have not previously been involved in the food field. It will make clear that food provided from outside is as much a real contribution to Indian development as capital for specific projects or foreign exchange assistance for import programs.

Second: Should this program be established, we will support the Indian Consortium as it:

• Undertakes a detailed projection of Indian food production and food aid requirements;

• Prepares a program for non-food imports required to meet food production targets, as the basis for determining the equitable share of each donor;

• Reviews India's self-help efforts, reports regularly on progress, and identifies areas for future concentration of energies.

Emergency allocation made

Third: We must take prompt action to help India meet its emergency food needs. Our best present estimate is that India needs deliveries of 10 million tons of food grains this year or roughly $725 million worth of food. 2.3 million tons, worth roughly $185 million, are already

in the pipeline from a number of countries, including our own. To keep food in the pipeline, I am making an immediate allocation of 2 million tons, worth nearly $150 million, to tide India over while the Congress acts.

I recommend that Congress approve a commitment to share fully in the international effort to meet India's remaining food-grain deficit of 5.7 million tons—worth about $400 million. To that end, I recommend a U.S. allocation of an additional amount of food grain, not to exceed 3 million tons, provided it is appropriately matched by other countries. I recommend that approximately $190 million available to the Commodity Credit Corporation in calendar 1967 be used for this purpose. These funds, if allotted, will have to be replenished by appropriation in Fiscal 1968.

Fourth: I recommend your approval of an allocation of $25 million in food commodities for distribution by CARE and other American voluntary agencies, to assist the Government of India in an emergency feeding program in the drought areas of Bihar and Uttar Pradesh.

Fifth: We hope other donors will accelerate their exports of fertilizers to India. Unless the application of chemical fertilizers rises sharply in India, she will not be able to meet her food-grain targets. Those fertilizer targets are ambitious, yet they must be met and if possible, exceeded. Marshalling more fertilizer imports is as important to meeting India's emergency as gathering additional grain. India herself must take prompt steps to increase her fertilizer investment and production and improve its distribution.

Sixth: I propose for the longer run to continue encouraging U.S. private investors to participate in India's program to expand production of chemical fertilizers. We will urge other governments to encourage their own producers.

Planning for the long range

Seventh: We intend to pursue other initiatives in the broader context of world agricultural development:

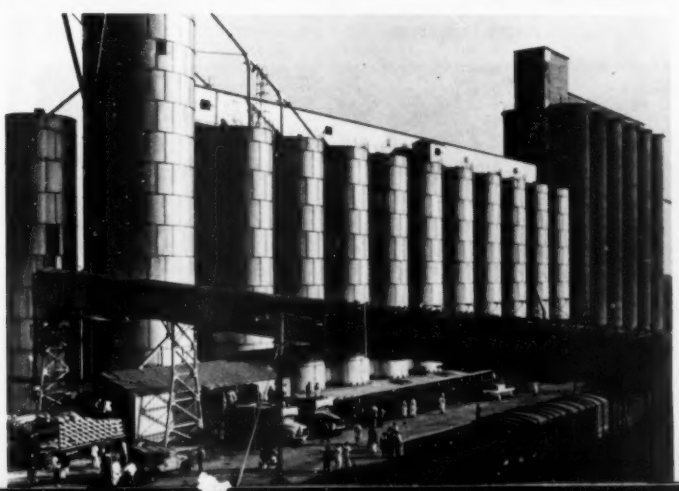
- We shall continue to press for multilateral efforts in every international forum in which we participate, including the current negotiations to establish a food aid program as part of an International Cereals Arrangement.
- We shall continue our policy of encouraging private capital and technology to join the War on Hunger.
- We shall press for the creation of an investment guarantee fund by the OECD to encourage private investment in the agricultural industries of developing countries.
- We shall make available to food-deficit nations the technology our scientists have now developed for producing fish protein concentrate.
- We shall look to the study by the President's Science Advisory Committee on the problems of food production to supply further and more definitive guidelines for near-term action and for long-range planning.

None of these steps can be as important as Indian resolve and Indian performance. The Indian Government is committed to a bold program of agricultural moderni-

(Continued on page 11)

U.S. Grain Shipments to India Total Nearly 40 Million Tons

India has been by far the largest recipient of U.S. grain under Public Law 480. Right top, grain is hoisted from dock to warehouse, and bottom, moves out of grain elevator on truck for transport to mills and stores (below).



IDB Loans Support Latin American Farm Progress

Of the $1,913.4 million in loans authorized by the Inter-American Development Bank, half are aimed at improving Latin America's rural economy.

The Inter-American Development Bank (IDB), financed by 20 Western Hemisphere countries, this month marks the sixth anniversary of its first loan for economic development.

In those 6 years, the Bank has authorized 393 loans valued at $1,913.4 million. The funds are backing projects in agriculture, industry, transportation, housing, advanced education, water supply, sewage facilities, and generation of electricity.

Over 22 percent of the Bank's loans in the period 1961-66 were aimed directly at upgrading agriculture. Eighty-one, valued at $427.6 million, were authorized for improved land use, irrigation projects, and agricultural credit. By the end of 1965, about 3.7 million acres of farmland had been improved and about 123,000 credits granted to low-income farmers.

Considering additional loans for housing, water supply, electric power, and transportation—like farm access roads—about half the Bank's total authorizations are bringing progress to Latin America's rural economy.

Bolivia is using Bank funds to build up livestock herds, like Cebu cattle, left; below, an Argentine poultry farm mechanized with the aid of an IDB loan.

Farm access road, below, is part of a 12,500-acre land settlement project in Yucatan, Mexico; sheep, right, are the object of a loan to Ecuador, which hopes to improve size and management of its herds.

Left and below, a Bank loan helped finance this Mexican irrigation project, whose dams and canals irrigate 30,000 acres of farmland in three States. Farm output is expected to rise by 73,000 metric tons in 7 years.

Below, technician advises Brazilian farmer on use of irrigation equipment he was able to install through funds lent to his country for a farm credit program.

Venezuelan architects, below left, plan a farm settlement project financed partly by the Bank; below, workmen install pipelines to bring water to one of the communities.

American Firms Make Valuable Trade Contacts at Milan Food Show

Foods new on the Italian market were the special attraction for many of the more than 1,250 Italian tradespeople who came to the U.S. Food Products Exhibit in Milan last month. The weeklong event—held at the U.S. Trade Center—comprised offerings to the Italian trade of some 600 brand name processed and packaged food products from 51 American firms.

Among the new foods that attracted the interest of buyers were dietetic products, fish franks, U.S. caviar, popcorn, soya spread and other high-protein foods, and iceberg lettuce flown in from California.

Italian businessmen attending the show included executives and buyers from some of the largest food-buying organizations in Italy—supermarket chains, large food stores, and restaurants in Milan and other large cities. All of the U.S. firms exhibiting expressed their satisfaction with the high quality of the new contacts made with the Italian food-buying community. One firm exhibiting both known lines and individual new canned foods reported 70 new contacts.

As a result of contacts made at the show, one U.S. soup manufacturer hopes to establish a distributorship for his product in northern Italy. A firm exhibiting dehydrated potatoes, dehydrated onions, and sauces found many buyers interested in the institutional packs of these products. The exhibitor of the iceberg lettuce found a chain of American-style restaurants in Italy interested in importing his produce. Also, two Italian store chains—with a total of more than 100 outlets—are considering holding in-store promotions of U.S. products.

Many of the displays whetted the visitors' desire to see more of the same. In this category were fresh fruits and vegetables, frozen foods, gourmet canned foods, and institutional packs of various items.

Exhibitor at Milan show is photographed for television. A 2-minute film of show activities was part of a news broadcast on a nationwide station.

U.S. Foods Sell Fast at West German In-Store Promotion

"A full success." That's the rating officials of Koch & Mann GmbH stores have given the first in-store promotion devoted exclusively to U.S. food products ever held in West Germany. The promotion was staged last November 18-25 in some 3,200 stores of the KOMA chain in the greater Ruhr industrial area. It was sponsored jointly by KOMA and Foreign Agricultural Service.

Final reports of "U.S. Week at KOMA" results show total sales of the U.S. products featured amounted to nearly $222,000. Biggest sellers by far were canned peaches and frozen chicken parts. Next were canned asparagus, lemon juice, and pineapple. Other very popular items were frozen turkey drumsticks and canned fruit cocktail.

According to one KOMA official the success of this promotion was greater than anticipated even though it was held only shortly before the Christmas business.

He adds, "We are convinced that by this program large consumer groups have become acquainted with the quality and large variety of American agricultural products, and a certain readiness for purchasing American products has been created."

Both the trade press and daily papers carried accounts of the promotion, giving details of store decorations, availability of U.S. food products, and reactions of customers.

A story in the November 25, 1966, issue of the food trade paper *Die Lebensmitte Zeitung* said in part, "The retailers have taken up the promotion idea enthusiastically and changed their stores into a fair of the 'New World.' Housewives got really in high spirits by the stimulating atmosphere in the KOMA stores. Here shopping was fun as had not been the case for a long time."

The success of the KOMA promotion has prompted other West German retail food chains to request FAS cooperation in similar promotions in their stores during 1967.

Japanese Visit U.S. Bakeries

Miyuki Watanabe and Tokuyasu Akaboshi — baking technicians from Japan—have just completed a 2-week study tour of selected U. S. bakeries. Their objective: To learn techniques used in this country in the production of breads and other baked goods that contain raisins.

Following their return home the technicians will set up a series of seminars to pass these techniques on to bakers throughout Japan. The study trip was sponsored by the California Raisin Advisory Board.

U.S. Soybeans Japan's Largest Farm Import

Japan's imports of U.S. soybeans in 1966 ranked first in value among the single agricultural commodities imported from the United States, accounting for more than one-fifth of total imports of U.S. farm products. According to preliminary Customs Bureau data, Japanese imports of U.S. agricultural products in 1966 were valued at $1,065 million on a c.i.f. basis.

Imports of U.S. soybeans totaled 1,772,123 metric tons (65.1 mil. bu.) valued at $222 million compared with 1,464,924 tons (53.8 mil. bu.) valued at $180 million in 1965. There was some buildup in stocks of U.S. soybeans at mills late in 1966, resulting from purchases in late summer in anticipation of higher prices later in the season. However, demand for oil and meal reportedly will be up again in 1967, and, consequently, soybeans are expected to continue to hold the lead among agricultural imports. Soybean imports from Mainland China in 1966 were not much different from those of 1965 and are not expected to vary greatly in 1967 *(Foreign Agriculture*, Feb. 6).

Japan's imports of soybean cake and meal from the United States declined sharply from the 1965 level, as did the total from all sources.

Imports of safflowerseed from the United States were down 4 percent from the previous year, but total imports increased by 30 percent, reflecting sizable imports from Mexico in 1966.

JAPAN'S IMPORTS OF SOYBEANS, SOYBEAN MEAL, AND SAFFLOWERSEED

Commodity and major source	1965		1966	
	Quantity	Value	Quantity	Value
	1,000 metric tons	*Mil. U.S. dol.*	*1,000 metric tons*	*Mil. U.S. dol.*
Soybeans:				
United States	1,464.9	179.7	1,772.1	222.3
Total	1,847.5	225.8	2,168.5	272.0
Soybean cake and meal:				
United States	41.7	4.4	7.0	.7
Total	46.3	4.9	7.4	.8
Safflowerseed:				
United States	112.7	14.0	108.6	14.1
Total	113.4	14.1	147.2	19.2

Japanese Customs Bureau, Ministry of Finance.

Decline in Purchases of Nigerian Palm Products

The Regional Marketing Boards of the Federation of Nigeria as of December 29, 1966, had purchased 413,551 long tons of palm kernels for crushing and export and 129,224 tons of palm oil (all grades). Palm kernel purchases were 7 percent less than total 1965 purchases of 443,065 tons; palm oil purchases were 20 percent below the 1965 total of 161,821 tons.

Brazil Expects Record Soybean Production

Brazil's 1967 soybean crop is expected to reach a record of 903,000 metric tons (33 mil. bu.). This estimate is based on a press report of a 750,000-ton crop in Rio Grande do Sul alone, the first official estimate of 108,000 tons in Parana, and an estimated 45,000 tons in Sao Paulo. The third official estimate places Brazil's 1966 production at 487,970 tons (18 mil. bu.).

Soybean exports from Brazil in 1966 were slightly above 120,000 tons (4.4 mil. bu.). Exports this year are expected to reach 200,000 tons (7.3 mil. bu.) or more, depending upon the actual volume of 1967 production.

Canada Lifts Restriction on Grain Storage

The National Harbors Board and the Montreal Port Council announced on January 23 that the Board of Grain Commissioners will ease restrictions prohibiting handling of foreign grain by National Harbors Board elevators in the first 2 weeks after navigation is declared open at Fort William and Port Arthur. The Board of Grain Commissioners will now issue permits allowing elevators at Montreal to hold a maximum of 2.5 million bushels of foreign grain for re-export; elevators at Quebec may hold up to two full cargoes during this period.

The restriction has been of special concern to Montreal, since its elevator capacity was increased to 22.5 million bushels in 1963. In recent years authorities there have complained each spring that their storage space remained inactive during the early weeks of shipping when they were not allowed to handle U.S. grain.

The purpose of the early-season regulation has been to assure the availability of elevator space at Montreal for the handling of Canadian grain. However, the old restrictions are no longer necessary because of the increased capacity in Montreal and in the private elevators downstream where the restrictions do not apply. Also, the Canadian Government has recently granted licenses for the construction of three more grain elevators downstream.

Accordingly, Montreal interests became concerned that they might no longer be competitive in grain trade and brought pressure to have the restriction eased.

Costa Rica Moves To Expand Corn Production

In order to reduce corn imports and ease its balance-of-payments problems, Costa Rica plans to launch an all-out corn production program during the next few months.

The project will be conducted cooperatively by the National Production Council, the Ministry of Agriculture and Livestock, the University of Costa Rica, the Institute of Lands and Colonization, the U.S. Agency for International Development (through its University of Florida contract), the National Bank, and farmers located in various parts of the country.

The campaign is to be countrywide, on plots selected according to the various ecological regions. Demonstrations of the use of hybrid seed, proper fertilization, and modern technology will be conducted on a total area of 5,500 manzanas (about 9,500 acres). The campaign is expected to cost $577,500.

The stated objective of the program is "to increase production of corn in Costa Rica to a level that will meet the country's requirements of corn for human consumption and livestock feed, and, thereby, eliminate the need for importing corn."

Costa Rica imported $700,000 worth of corn from Mexico and the United States during the crop year 1965, about one-third of this from the United States. Domestic corn production amounted to 65,000 metric tons in 1965 and 66,000 in 1966.

While there is no indicated connection between Costa Rica's new corn program and the Central American Common Market (CACM), it is interesting to note that the Market's Grain Protocol, which became effective on June 10, 1966, restricts imports of grains (including beans) from nonmember countries. The Coordinating Commission of Marketing and Price Stabilization of Central America is the controlling agency that governs imports of grains from third countries. Permission is granted for such imports when it is determined that grains of qualities desired are not available at a reasonable price in CACM countries. The protocol does not affect donations.

U.K. Wants More Wheat, Less Barley Produced

At the Golden Jubilee Dinner of the National Association of Corn and Agricultural Merchants in London on January 26, Mr. Peart, the Minister of Agriculture of the United Kingdom, spoke on the imbalance that has come about in the United Kingdom between barley and wheat.

In his remarks, Mr. Peart expressed concern over the reduced plantings to winter wheat in England and Wales for harvest in 1967—the lowest since 1962—and the possibility of a lack of balance this year between wheat and barley production. He expressed the hope that there was still a chance of making up the leeway in wheat sowings, given reasonable weather, and reminded growers that some varieties of winter wheat could still be planted.

The Minister warned farmers that to concentrate too much on barley was going to cut the return to growers under the standard quantity arrangements. He said that on the 1966 barley crop there was likely to be a cut of up to 9d. per hundredweight in barley growers' returns.

Slowdown in West German Imports of Feedgrains

Earlier forecasts of reduced imports of feedgrains by West Germany in 1966-67 have been corroborated by first-quarter data, which show receipts of 1,069,000 tons in the July-September period. This is 23 percent below imports in the 1965-66 period. The United States, however, is maintaining its position as the principal supplier.

Reasons for the smaller imports this year are as follows: Larger domestic feedgrain crops; larger quantities of domestic feed-grade wheat and rye; a smaller pig population; and caution on the part of farmers and the trade since the July 1 introduction of lower grain prices within the EEC framework.

Feedgrain imports for the year, however, will apparently not be as low as previously anticipated. An increase in pig numbers is forecast for the first half of 1967. Also, the critical price situation in the broiler industry has not affected feedgrain utilization. This is partially a result of upgrading of rations by feed formulators by use of whole grains to replace cassava meal and byproduct feeds.

South Africa's Minimum Canned Fruit Prices

London sources have reported 1967 minimum export prices for South African canned fruit. Fancy and Choice clingstone peaches were reported slightly below the 1966 level, as were two fruits and fruit cocktail. Pears remained at the same or slightly higher levels, but apricots were higher. No price changes were noted for freestone peaches or fruit salad. Reportedly, the South Africans are considering an import scheme similar to Australia's 30-day interest-free credit plan.

SOUTH AFRICAN MINIMUM EXPORT PRICES[1]

Fruit and can size	Price per dozen units					
	Fancy		Choice		Standard	
	1966	1967	1966	1967	1966	1967
	U.S. dol.	*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	*U.S. dol.*
Apricots:						
2½	3.15	3.22	2.94	3.01	2.80	2.87
No. 1	1.82	1.96	1.75	1.86	1.61	1.68
8 oz.	1.26	1.30	1.22	1.26	1.19	1.22
Peaches, halves and slices:						
Clingstone:						
2½	3.26	3.22	3.12	3.08	2.98	2.94
No. 1	2.03	2.01	1.96	1.94	1.86	1.86
8 oz.:						
Halves	1.26	1.30	1.22	1.26	1.19	1.22
Slices	1.28	1.30	1.24	1.26	1.21	1.22
Freestone:						
2½	—	—	2.76	2.76	2.62	2.62
No. 1	—	—	1.75	1.75	1.68	1.68
Pears:						
Bon Chretien halves:						
2½	3.43	3.43	3.29	3.29	3.15	3.15
No. 1	2.17	2.22	2.10	2.15	2.03	2.08
8 oz.	1.31	1.33	1.28	1.30	1.24	1.26
Bon Chretien quarters and slices:						
2½	3.40	3.40	3.26	3.26	3.12	3.12
No. 1	2.14	2.19	2.06	2.12	2.00	2.05
8 oz.	1.31	1.33	1.28	1.30	1.24	1.26
Fruit salad:						
2½	4.41	4.41	4.27	4.27	4.13	4.13
No. 1	2.59	2.59	2.52	2.52	2.45	2.45
8 oz.	—	—	1.47	1.47	—	—
Fruit cocktail:						
2½	4.02	3.99	3.82	3.78	3.68	3.64
No. 1	2.52	2.48	2.42	2.38	2.34	2.31
8 oz.	—	—	1.40	1.40	—	—
Two fruits:						
2½	—	—	3.12	3.08	2.98	2.94
No. 1	—	—	1.96	1.94	1.89	1.89

[1] C.I.F. U.K. ports.

U.S. Flue-Cured Exports Up in 1966

U.S. exports of flue-cured tobacco in 1966 totaled 421.1 million pounds (export weight), up 20 percent from the depressed level of 350.6 million shipped out in 1965. Last year's exports, however, were only 2 percent larger than the 1955-59 average of 413 million.

Continuing sanctions by major importing countries on tobacco trade with Rhodesia, improvement in quality of recent crops, expanding world cigarette consumption, and the export payment program combined to push the 1966 exports well above those of the previous year.

U.K. purchases rebounded from 81.4 million in 1965 to 107.4 million last year; and West Germany's takings rose from 67.4 million to 80.5 million. Japan took 42 million in 1966, compared with 36.6 million in 1965.

Among other major purchasers, Sweden, Ireland, Thailand, and South Vietnam took more than in 1965; but declines were noted for Hong Kong, Egypt, Australia, and the Netherlands.

European Common Market countries purchased 117.6 million pounds in 1966 against 107 million in 1965.

Average export price per pound for flue-cured exports in 1966 was 92.4 cents, compared with 85.1 cents in 1965.

U. S. EXPORTS OF FLUE-CURED TOBACCO
[Export weight]

Destination	Average 1955-59	1964	1965[1]	1966[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
United Kingdom	157,990	115,401	81,377	107,351
Germany, West	54,644	69,961	67,374	80,480
Japan	9,555	34,466	36,574	42,016
Netherlands	20,387	23,033	23,289	18,736
Sweden	7,104	9,747	2,403	14,955
Thailand	10,342	9,185	9,995	13,676
Australia	27,126	13,385	18,391	13,632
Belgium-Luxembourg	15,070	13,282	13,647	12,891
Ireland	10,719	10,716	9,793	11,655
Denmark	11,057	9,532	11,369	11,453
Vietnam	4,432	7,685	6,145	10,559
Egypt	7,542	10,586	12,886	8,968
Switzerland	2,931	4,792	4,056	6,809
Norway	4,801	4,020	3,667	5,917
Taiwan	2,275	1,780	4,058	5,709
New Zealand	6,596	3,720	2,829	5,033
Other	60,606	54,295	42,743	51,270
Total	413,177	395,586	350,596	421,110

[1] Preliminary.
Bureau of the Census.

Increase in U.S. Burley Tobacco Exports

U.S. exports of burley tobacco in 1966 totaled 45.7 million pounds (export weight), up about 1 percent from the 1965 level. The export value last year was $39.3 million, compared with $34.3 million in 1965. Average export price per pound rose from 75.8 cents in 1965 to 85.9 cents in 1966.

Major markets for U.S. burley in 1966 included West Germany 11.8 million pounds, Sweden 4.8 million, Thailand 3.4 million, the UAR (Egypt) 3.0 million, and Mexico 2.4 million.

European Common Market countries purchased 16.2 million pounds in 1966, against 20.0 million in 1965.

U. S. EXPORTS OF BURLEY TOBACCO
[Export weight]

Destination	1964	1965[1]	1966[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Germany, West	10,893	9,400	11,795
Sweden	7,255	0	4,806
Thailand	1,753	1,175	3,374
UAR (Egypt)	4,408	4,486	3,021
Mexico	4,492	3,776	2,430
Denmark	1,546	2,087	2,325
Switzerland	1,054	945	2,235
Belgium-Luxembourg	1,614	1,331	1,784
Australia	428	626	1,628
Finland	1,435	1,061	1,320
Chile	902	897	1,136
Netherlands	1,760	2,126	1,106
Portugal	3,127	2,655	1,045
Italy	3,988	6,636	968
Hong Kong	1,163	1,499	843
Norway	643	687	681
France	668	572	580
Austria	918	520	435
Congo, Republic of	937	2,033	14
Other	4,027	2,783	4,179
Total	53,011	45,295	45,705

[1] Preliminary.
Bureau of the Census.

Indonesia Imported Sugar in 1966

Although Indonesia continued to export sugar in 1966, some imports were also made. This is indicative of the readjustment going on in Indonesia's sugar industry.

There are 55 sugarmills still operating in Indonesia, and their average age is 55 years. The factory price of sugar produced by these obsolete mills is reportedly considerably higher than the landed cost of imported sugar. There are now no subsidies on sugar, and prices were freed during October 1966.

Owing to the financial difficulties of the mills, many farmers are coming to the conclusion that it is more profitable to plant rice than sugar. With an uncontrolled price internally for sugar, it is expected that imported sugar will continue to compete with domestically produced sugar on the Indonesian market. Indonesia produces about 750,000 short tons of sugar annually, and net exports are at about 150,00 tons.

Guatemala's Cotton Crop Revised Down

The 1966-67 cotton crop in Guatemala is now placed at 300,000 bales, down sharply from the record 1965-66 crop of 395,00 bales (480 lb. net). Part of this decrease is due to a reduction in planted area to 230,000 acres, 19 percent below the 1965-66 area of 285,000 acres. Other factors which adversely affected this season's crop were a serious infestation of white fly and unfavorable weather conditions during the planting and growing seasons. Rainfall was excessive in some areas during the planting season, while lack of rain during the latter part of the growing season prevented the top crop from maturing. Harvesting operations began in December and are expected to be completed in April.

Reportedly, all of the crop had been contracted by mid-January at prices ranging between 26.00 and 26.25 cents per pound f.o.b. steamer, basis Middling 1-1/16 inches, the same as a year earlier.

Exports in the 1966-67 season are expected to be around 260,000 bales, against around 365,000 in 1965-66.

President on India Food Aid

(Continued from page 5)

zation. That program is the foundation for the entire international effort to help India. We believe that a self-reinforcing process of improvement is underway in India, affecting both agricultural techniques and government administration. On the basis of that conviction, we can move forward to do our share under the Food for Freedom Program of 1966.

I believe these proposals are in our national interest. I believe that they reflect the deepest purposes of our national spirit.

We have never stood idly by while famine or pestilence raged among any part of the human family. America would cease to be America if we walked by on the other side when confronted by such catastrophe.

The great lesson of our time is the interdependence of man. All that we and other nations have sought to accomplish in behalf of world peace and economic growth would be for naught if the advanced countries failed to help feed the hungry in their day of need.

CORRECTION: Table on U.S. exports of unmanufactured tobacco, issue of Feb., 13, 1967, p. 13—under column head Jan.-Dec., years should be reversed to read 1965, 1966.

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Highlights of the Agriculture and Trade of Indonesia

Resources:—The Republic of Indonesia occupies a chain of 3,000 islands which sweep more than 2,000 miles in a great arc from the tip of Mainland Asia south and east across the Equator almost to the shores of Australia. The nation's population of some 108 million people—about three-quarters of which derive their income from agriculture—makes it the sixth largest country in the world. Nearly as large as Mexico, Indonesia's 735,000 square miles are rich in natural resources. Varied soils, many of volcanic origin, are ideal for crops as diverse as rice and rubber, and beneath land and sea are vast deposits of petroleum, tin, coal, bauxite, and manganese.

Agriculture:—A new agricultural project named "Bimas" was credited with almost doubling the output of paddy on 220,000 hectares in the 1965-66 crop year. Success is largely the result of the dedication and drive of 1,150 specially trained agricultural students assigned to supervise improved planting and cultural practices on selected irrigated fields.

Success of the project, which will be continued and expanded, contributed substantially to Indonesia's total 1966 rice production. Output reached a new peak for the second year in a row—more than 15.3 million tons of paddy and an increase of 3 percent from 1965.

Output of rubber—the nation's main money crop—remained relatively high in 1966 despite failure to replace aging trees with high-yielding new growth.

Following suppression of a communist-supported revolt, a capable military-civilian coalition took over and moved cautiously into power in the spring of 1966. The new leadership—with a bankrupt government on its hands—acted decisively to regain a respected place in the world community. It rejoined the United Nations and other international organizations, loosened its binding ties with Communist China, ended the costly confrontation with Malaysia, and announced a comprehensive program to restore its shattered economy.

The main industrial countries quickly put out a helping hand with a 4-year moratorium on repayment of Indonesia's overwhelming debts of more than $2 billion.

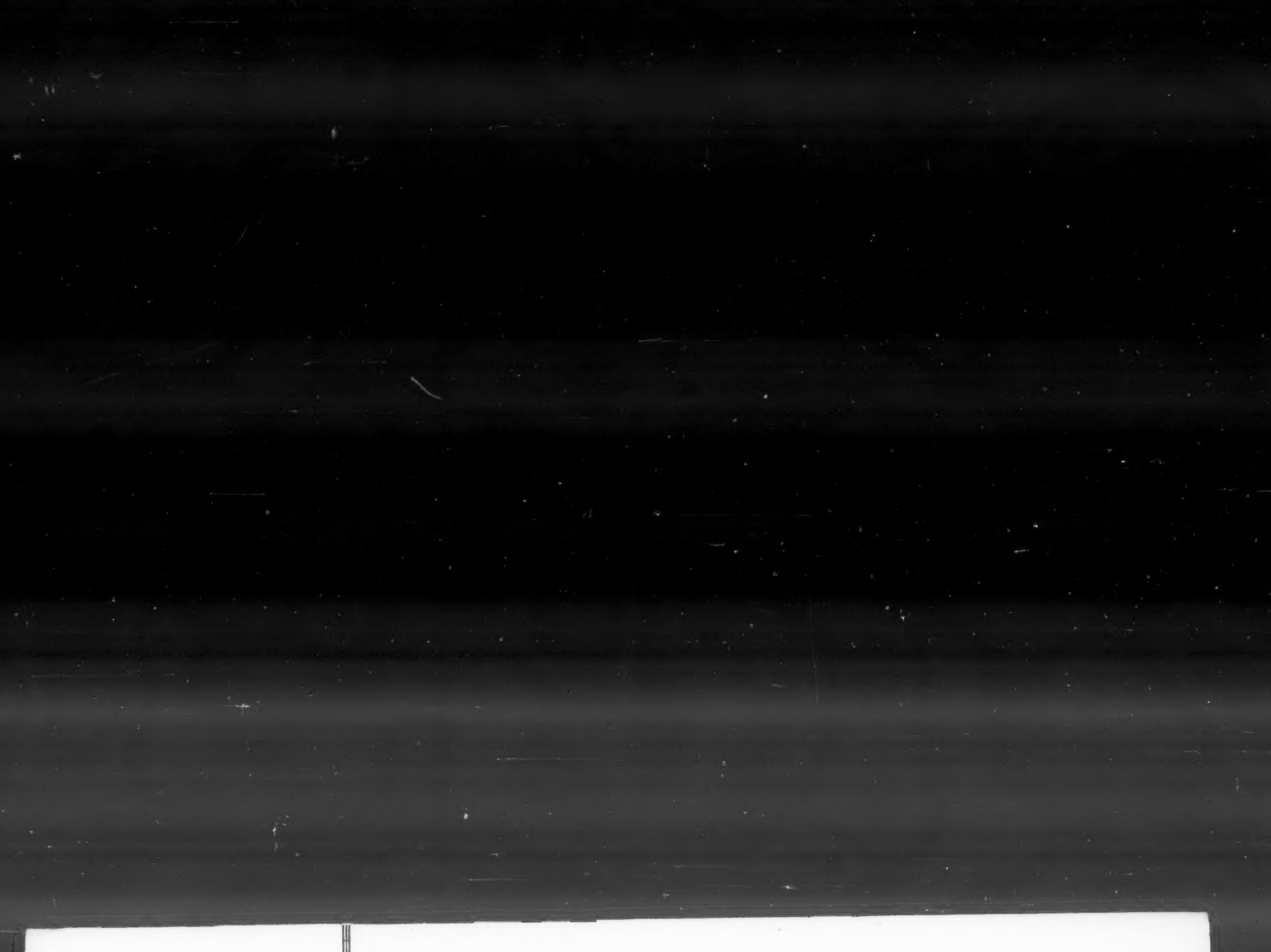
The United States granted long-term low-interest credits for the purchase of 100,000 metric tons of rice and 225,000 bales of cotton.

Factors affecting agricultural trade:—Top priority for imports has been assigned to foodstuffs, clothing, spare truck parts, railroad rolling stock, inter-island cargo ships, road repair equipment, generators, and industrial machinery. In the agricultural sector, imports of rice, cotton, and wheat flour were expected to rise substantially.

Food situation:—Transportation of food from surplus to deficit areas has become a mounting problem. After years of neglect, 85 percent of the roads have been reported impassable or barely passable; more than 60 percent of the trucks are immobilized; and railroad schedules have been below half the level existing 25 years ago. Despite record rice crops in the last 2 years, the thickly populated urban areas have remained heavily dependent on shipments of rice from overseas.

Foreign trade:—Trade predictions have been gloomy, but Indonesia's 1966 nonpetroleum exports seemed headed for a level at least as high as the $460 million estimated for 1965. However, production of oil fell 15 percent from the third quarter of 1965 to the second quarter of 1966 and exports probably suffered. Imports in recent years have been financed in part by any kind of credit available and traditionally exceeded exports. Reliable information on their value is not available.

Agricultural trade with United States:–U.S. agricultural exports to Indonesia shrank from $41.1 million in 1963 to $15.7 million in 1964 and $1.6 million in 1965. Almost all 1965 exports were for relief or charity. In recent years most of these shipments, primarily rice, wheat flour, and cotton, have been under P.L. 480. New agreements were curtailed following Indonesia's declaration of a military "confrontation" with Malaysia in September 1963. U.S. agricultural imports from Indonesia went up from $71.0 million in 1963 to $115.9 million in 1965, a gain of 67 percent. Substantially higher purchases of rubber accounted for most of the gain.

With increased emphasis on the distribution of fertilizer and improvement of extension services, exports of sugar, corn, coffee, tea, pepper, and tobacco should increase over the long term.

—RILEY H. KIRBY
Foreign Regional Analysis Division, ERS